

# ANNUAL REPORT



## NOVA BEAUCAGE MINES LIMITED



**For The Year Ended  
DECEMBER 31, 1971**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Friday, July 14, 1972, at 10:00 a.m. (E.D.T.)**

**Suite 4125, Forty-first Floor North, One Place Ville Marie, Montreal 113, P.Q.**

# Nova Beaucage Mines Limited

## *Head Office*

414 Fraser Street,  
NORTH BAY, ONTARIO

## *Executive Office*

Suite 4125, 41st Floor North,  
One Place Ville Marie,  
MONTREAL 113, QUEBEC.

## *Officers*

PETER N. THOMSON ..... *President*  
F. H. BOSSONS ..... *Secretary*  
C. G. PENNEY, C.A. .... *Treasurer*

## *Directors*

|                |                    |
|----------------|--------------------|
| H. F. ASTON    | C. G. PENNEY, C.A. |
| J. A. KENNEDY  | R. A. SPENCER      |
| H. MOCKLER     | D. D. THOMSON      |
| G. NEELY MOORE | PETER N. THOMSON   |

## *Transfer Agent*

CANADA PERMANENT TRUST COMPANY  
Toronto, Ontario

## *Auditors*

RIDDELL, STEAD & Co.  
Montreal, Que.

# Nova Beaucage Mines Limited

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## DIRECTORS' REPORT

Montreal, Quebec,

June 21, 1972.

*To the Shareholders,  
Nova Beaucage Mines Limited.*

The Directors submit herewith the Annual Report, together with the audited financial statements and the Auditors' Report thereon, for the year ended December 31, 1971.

No field work was undertaken by the Company during the year. However, under the terms of a Memorandum of Agreement between the Company, Nord Interex Ltd., and The Canada Trust Company dated March 29, 1971 and confirmed by the Shareholders of the Company on May 17, 1971, Nord, in March and April of 1971, spent a minimum of \$25,000 for exploration work on the Company's columbium property near North Bay, Ontario. Further, Nord has undertaken to spend in aggregate a minimum of \$100,000 for exploration and/or development work on the said property prior to March 29, 1973.

I wish to draw your attention to the Statement of Development and Other Expenses for the three months ended March 31, 1971-1972, which appears on page 4 of the Information Circular included with the Meeting material.

On behalf of the Board,  
PETER N. THOMSON,  
*President.*



# NOVA BEAUCAG

## BALANCE SHEET A

### ASSETS

|                                                                                                       | <u>1971</u>               | <u>1970</u>               |
|-------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>CURRENT ASSETS</b>                                                                                 |                           |                           |
| Cash .....                                                                                            | \$ 11,060                 | \$ 15,232                 |
| Accounts receivable .....                                                                             | 678                       | 778                       |
| Marketable securities, at cost (Estimated<br>market value, 1971 — \$15,000;<br>1970 — \$17,713) ..... | 48,250                    |                           |
| Provision for loss (Note 1) .....                                                                     | <u>24,000</u>             | <u>48,250</u>             |
| Prepaid expenses .....                                                                                | 952                       | 1,021                     |
|                                                                                                       | <u>36,940</u>             | <u>65,281</u>             |
| <b>FIXED ASSETS, at cost less amounts written off</b>                                                 |                           |                           |
| Land .....                                                                                            | 10,000                    | 10,000                    |
| Plant, buildings and equipment .....                                                                  | 733,422                   | 733,422                   |
|                                                                                                       | <u>743,422</u>            | <u>743,422</u>            |
| <b>LEASES OF MINING PROPERTIES .....</b>                                                              | <u>168,729</u>            | <u>168,729</u>            |
| <b>DEVELOPMENT AND OTHER EXPENSES</b>                                                                 |                           |                           |
| per accompanying statement .....                                                                      | <u>2,992,274</u>          | <u>2,987,933</u>          |
| <b>INCORPORATION EXPENSES .....</b>                                                                   | <u>6,108</u>              | <u>6,108</u>              |
|                                                                                                       | <u><u>\$3,947,473</u></u> | <u><u>\$3,971,473</u></u> |

SIGNED ON BEHALF OF THE BOARD:

PETER N. THOMSON, Director

C. G. PENNEY, C.A., Director

# MINES LIMITED

DECEMBER 31, 1971

## SHAREHOLDERS' EQUITY

|                                          | <u>1971</u>               | <u>1970</u>               |
|------------------------------------------|---------------------------|---------------------------|
| CAPITAL STOCK (Note 2)                   |                           |                           |
| Authorized                               |                           |                           |
| 5,000,000 shares of \$1 each             |                           |                           |
| Issued and fully paid                    |                           |                           |
| 1,328,377 .....                          | \$1,328,377               | \$1,328,377               |
| Discount on shares issued for cash ..... | <u>105,420</u>            | <u>105,420</u>            |
|                                          | 1,222,957                 | 1,222,957                 |
| LOSS ON INVESTMENT (Note 1) .....        | (24,000)                  | —                         |
| REORGANIZATION SURPLUS .....             | <u>2,748,516</u>          | <u>2,748,516</u>          |
|                                          | <u><u>\$3,947,473</u></u> | <u><u>\$3,971,473</u></u> |

## AUDITORS' REPORT

To the Shareholders  
Nova Beaucage Mines Limited

We have examined the balance sheet of Nova Beaucage Mines Limited as at December 31, 1971 and the statements of development and other expenses and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements, together with the notes thereto, present fairly the financial position of the company as at December 31, 1971 and the results of its operations and the application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

RIDDELL, STEAD & CO.

May 16, 1972



# Nova Beaucage Mines Limited

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## STATEMENT OF DEVELOPMENT AND OTHER EXPENSES FOR THE YEAR ENDED DECEMBER 31, 1971

|                                    | <u>1971</u>        | <u>1970</u>        |
|------------------------------------|--------------------|--------------------|
| EXPENSES                           |                    |                    |
| Bad debts .....                    | \$ —               | \$ 461             |
| General administration .....       | 4,297              | 3,332              |
| Insurance .....                    | 1,000              | 690                |
| Rentals .....                      | 1,021              | 1,021              |
| Taxes and licenses .....           | 164                | 175                |
| Transfer fees .....                | 1,121              | 1,048              |
|                                    | <u>7,603</u>       | <u>6,727</u>       |
| INCOME                             |                    |                    |
| Rental income .....                | 1,800              | 2,400              |
| Investment income .....            | 1,312              | 1,312              |
| Recovery of bad debts .....        | 150                | —                  |
|                                    | <u>3,262</u>       | <u>3,712</u>       |
| NET EXPENSE .....                  | 4,341              | 3,015              |
| Balance at beginning of year ..... | 2,987,933          | 2,984,918          |
| BALANCE AT END OF YEAR .....       | <u>\$2,992,274</u> | <u>\$2,987,933</u> |

# Nova Beaucage Mines Limited

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## STATEMENT OF APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1971

|                                            | <u>1971</u>     | <u>1970</u>     |
|--------------------------------------------|-----------------|-----------------|
| APPLICATION OF FUNDS                       |                 |                 |
| Development and other expenses .....       | \$ 4,341        | \$ 3,015        |
| INCREASE (REDUCTION) IN WORKING CAPITAL .. | (4,341)         | (3,015)         |
| Working capital at beginning of year ..... | 65,281          | 68,296          |
| WORKING CAPITAL AT END OF YEAR .....       | <u>\$60,940</u> | <u>\$65,281</u> |

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1971

1. The present worth and ultimate value of all the assets of the company other than current assets is wholly dependent upon the bringing into production and subsequent commercial operation of the company's mining properties. A provision for loss on investments in the amount of \$24,000 has been set up in respect of one of the company's marketable securities.
2. 50,000 shares of the company's capital stock have been reserved for issue at prices to be determined by the officers of the company.
3. The company has entered into an agreement with a third party whereby the latter can exercise an option to purchase the fixed assets, mining rights, and license of occupation of the company for a total consideration of \$10,000 cash and a royalty interest based on production. This option which is subject to the fulfilment of certain conditions, expires on March 29, 1973 and is subject to an extension for a further period of eight months initially, and for further successive periods of one year thereafter.

